

Grantee: Dakota County, MN

Grant: B-08-UN-27-0002

January 1, 2010 thru March 31, 2010 Performance Report

Grant Number:

B-08-UN-27-0002

Obligation Date:

03/13/2009

Grantee Name:

Dakota County, MN

Award Date:

03/13/2009

Grant Amount:

\$2,765,991.00

Contract End Date:

03/13/2013

Grant Status:

Active

Review by HUD:

Submitted - Await for Review

QPR Contact:

Stephanie Newburg

Disasters:

Declaration Number

NSP

Plan Description:

Dakota County is situated in the southeast corner of the Twin Cities Metropolitan area, it is the third most populous county in the state of Minnesota, at approximately 400,000 persons. Dakota County maintains a land use mixture of 1/3 urban, 1/3 suburban, and 1/3 rural. The median home price in Dakota County has increased 21.7% over a five year period from \$192,000 (2002) to \$233,650 (2006). Dakota County has the second highest number of foreclosures among Minnesota counties. Foreclosure sales have alarmingly increased in the past five years, highlighting the increase in need for mortgage delinquency counseling. There were 222 foreclosure sales in 2002, and the number dramatically increased to 1,610 sales in 2007; a 725% increase in five years. Dakota County is projecting 2,200 foreclosure sales in 2008. Dakota County also has a high number of subprime mortgages. In addition, the FBI has identified the Twin Cities as one of the 10 worst areas of the United States for mortgage fraud and has a number of current investigations underway. In 2007 and 2008, the U.S. Attorneys office charged 23 defendants who have either pleaded guilty or have been sentenced for mortgage fraud and related crimes. Ten percent of homes currently listed for sale in Dakota County are bank owned. While foreclosures have occurred throughout all parts of the county, there are areas with greater concentrations of foreclosed, bankowned homes. Dakota County has delineated areas of greatest need of stabilization activities, also referred to as target areas, on the map in Exhibit A. This data is set across census tract block groups and zip code areas. In determining the areas of greatest need, Dakota County CDA used data provided by HUD. The CDA mapped the census tract blocks where the foreclosure and abandonment risk score was 6 or greater. The CDA also mapped the census tract block groups where the underlying 18-month predicted foreclosure problem rate was higher than 4%. Since the predicted 18-month values were given by HUD as a percentage, the percentages were divided into ranges (1-10) based on Natural Breaks (Jenks Optimization) method. This gave a single score for each percentage range for the risk score and the problem rate, allowing both data sets to match. The two fields were then added together to get the combined risk score, the 1-10 value from each field, for a total possible score of 20. The areas of highest priority include portions of South St. Paul, Eagan, Burnsville, and Hastings. Areas of medium high priority are portions of Farmington, Lakeville, Apple Valley, and West St. Paul. Portions of Inver Grove Heights, Rosemount, Northfield and small cities in the County have been identified as areas of medium priority. All census tracts which did not meet the criteria set by the Dakota County CDA will not be eligible for Neighborhood Stabilization Funding. All funds have been budgeted for eligible uses and activities as identified in the Activity Type section. Activities will occur from January 1, 2009 to June 30, 2011. The Dakota County CDA will be sole responsible organization in carrying out all activities within the NSP program.

Recovery Needs:

The funds will be used in five primary activities, plus administration:

1. Homeownership assistance for low-, moderate-, and middle-income (120% of area median income, or AMI) households purchasing foreclosed upon homes totalling \$525,000. Twenty-seven home purchases will be assisted for homebuyers at or below 120% AMI.
2. Acquisition of foreclosed and/or abandoned homes and residential properties resulting in the rental or resale to low-income (50% of AMI) households totalling \$462,000. Five homes will be purchased for households at or below

50% AMI.

3. Rehabilitation of acquired foreclosed and/or abandoned homes and residential properties resulting in the rental or resale to low-income (50% of AMI) households totalling \$230,000. Five homes will be rehabbed for occupancy by households at or below 50% AMI.

4. Acquisition of foreclosed and/or abandoned homes and residential properties for the purpose of establishing a land bank totalling \$1,051,250. Ten foreclosed properties will be acquired and land-banked.

5. Demolition of blighted structures totalling \$226,750. Twelve blighted homes will be cleared.

6. Administration of the program will not exceed 10% of the NSP grant and 10% of any program income.

| Overall | This Report Period | To Date |
|---|--------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$2,765,991.00 |
| Total CDBG Program Funds Budgeted | N/A | \$2,765,991.00 |
| Program Funds Drawdown | \$76,721.37 | \$1,994,582.33 |
| Obligated CDBG DR Funds | \$77,071.37 | \$1,994,932.33 |
| Expended CDBG DR Funds | \$80,389.39 | \$1,985,978.41 |
| Match Contributed | \$3,050.00 | \$25,142.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Progress Toward Required Numeric Targets

| Requirement | Required | To Date |
|------------------------------------|--------------|--------------|
| Minimum Overall Benefit Percentage | 99.99% | 29.412% |
| Minimum Non-Federal Match | \$0.00 | \$25,142.00 |
| Limit on Public Services | \$414,898.65 | \$0.00 |
| Limit on Admin/Planning | \$276,599.10 | \$144,441.03 |
| Limit on State Admin | \$0.00 | \$0.00 |

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

As of 3/31/10, Dakota County has drawn down 72% of its NSP funds. During this reporting period, focus shifted from acquiring foreclosed properties for demolition and homebuyer assistance to acquiring foreclosed properties suitable for rehabilitation to use as rental for low income households (<50% MFI) or to sell to an income eligible buyer.

Only a couple of homebuyer assistance loans are outstanding for activity NSP-1 (homebuyer assistance). If the buyers are <50% MFI, funds will be shifted from NSP-1 to NSP-1a to include in the 25% low income set-aside.

Project Summary

| Project #, Project Title | This Report Period | To Date | |
|--------------------------|------------------------|------------------------|------------------------|
| | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 9999, Restricted Balance | \$0.00 | \$0.00 | \$0.00 |
| BCKT, Bucket Project | \$76,721.37 | \$2,765,991.00 | \$1,994,582.33 |

Activities

| | |
|---------------------------------|--------------|
| Grantee Activity Number: | NSP-1 |
| Activity Title: | NSP-1 |

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

BCKT

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Bucket Project

Projected End Date:

06/30/2011

Responsible Organization:

Dakota County CDA

Overall
Jan 1 thru Mar 31, 2010
To Date

| | | |
|--|---------------|--------------|
| Total Projected Budget from All Sources | N/A | \$582,060.00 |
| Total CDBG Program Funds Budgeted | N/A | \$582,060.00 |
| Program Funds Drawdown | \$30,645.00 | \$549,731.77 |
| Obligated CDBG DR Funds | (\$14,945.00) | \$550,081.77 |
| Expended CDBG DR Funds | \$30,995.00 | \$550,081.77 |
| Dakota County CDA | \$30,995.00 | \$550,081.77 |
| Match Contributed | \$3,050.00 | \$18,702.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Financing mechanisms (zero interest deferred loan) for homebuyers at or below 120% AMI to acquire vacant foreclosed upon homes and residential property.

Location Description:

NSP targeted areas

Activity Progress Narrative:

Two households received up to \$15000 zero interest deferred loans to acquire foreclosed homes. One buyer also received funds through the Dakota County CDA's MCC program and additional funds for down payment assistance. Three properties were appraised during this reporting period.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|------------------------------------|--------------------|-----|-------|------------------------------------|------|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Households benefitting | 0 | 0 | 2 | 0/0 | 17/0 | 36/25 |

Activity Locations

| Address | City | State | Zip |
|------------------|--------------|-------|-------|
| 15330 Floret Way | Apple Valley | NA | 55124 |
| 8386 143rd St W | Apple Valley | NA | 55124 |

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: NSP-1a

Activity Title: NSP-1a

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

BCKT

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Bucket Project

Projected End Date:

06/30/2011

Responsible Organization:

Dakota County CDA

Overall

Jan 1 thru Mar 31, 2010

To Date

| | | |
|---|-------------|-------------|
| Total Projected Budget from All Sources | N/A | \$45,940.00 |
| Total CDBG Program Funds Budgeted | N/A | \$45,940.00 |
| Program Funds Drawdown | \$0.00 | \$45,940.00 |
| Obligated CDBG DR Funds | \$45,940.00 | \$45,940.00 |
| Expended CDBG DR Funds | \$0.00 | \$30,350.00 |
| Dakota County CDA | \$0.00 | \$30,350.00 |
| Match Contributed | \$0.00 | \$6,440.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Financing mechanisms (zero interest deferred loan) for homebuyers at or below 50% AMI to acquire vacant foreclosed upon homes and residential property. This activity was added Feb 2010 for the purpose of showing the amount of NSP funds provided as a financing mechanism that assisted buyers of foreclosed properties with incomes at or below 50% AMI.

Location Description:

NSP targeted areas.

Activity Progress Narrative:

No activity during this reporting period.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|-----------------------------|--------------------|-----|-------|------------------------------------|-----|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Households benefitting | 0 | 0 | 0 | 3/3 | 0/0 | 3/3 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

Grantee Activity Number: NSP-2

Activity Title: NSP-2

Activity Category:

Acquisition - buyout of residential properties

Project Number:

BCKT

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Bucket Project

Projected End Date:

06/30/2011

Responsible Organization:

Dakota County CDA

Overall

Jan 1 thru Mar 31, 2010

To Date

| | | |
|--|------------|--------------|
| Total Projected Budget from All Sources | N/A | \$447,000.00 |
| Total CDBG Program Funds Budgeted | N/A | \$447,000.00 |
| Program Funds Drawdown | \$2,194.53 | \$150,915.59 |
| Obligated CDBG DR Funds | \$4,194.53 | \$152,915.59 |
| Expended CDBG DR Funds | \$1,641.53 | \$150,362.59 |
| Dakota County CDA | \$1,641.53 | \$150,362.59 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Purchase vacant, foreclosed homes and/or small apartment building to use as rental or owner occupied property. If an acquired property is used as rental, the Dakota County CDA will act as owner and property manager. Tenants of rental units must income qualify at or below 50% AMI based on family size. If an acquired property is used as owner occupied housing, a non-profit may act as the initial owner/developer. Buyers of these properties must also income qualify at or below 50% of AMI based on family size and must occupy the home as their principal residence. Project soft costs are included in the budget.

Location Description:

NSP identified target areas.

Activity Progress Narrative:

Purchase offer submitted in January for a property in Apple Valley. On March 30, purchase offer was declined and earnest money check returned to the CDA on April 1. The amount drawn for the earnest money (\$3088) will offset NSP-2 expenses incurred after April 1. Other expenses incurred during this reporting period include utilities and snow removal for the LV property.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|-----------------|--------------------|-----|-------|------------------------------------|-----|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Properties | 0 | 0 | 0 | 0/0 | 0/0 | 1/4 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources**Amount**

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: NSP-3**Activity Title: NSP-3****Activity Category:**

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

BCKT

Project Title:

Bucket Project

Projected Start Date:

01/01/2009

Projected End Date:

06/30/2011

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Dakota County CDA

Overall**Jan 1 thru Mar 31, 2010****To Date****Total Projected Budget from All Sources**

N/A

\$230,000.00

Total CDBG Program Funds Budgeted

N/A

\$230,000.00

Program Funds Drawdown

\$2,000.00

\$2,000.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$0.00

\$0.00

Dakota County CDA

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

Rehabilitation of the vacant, foreclosed properties acquired with NSP funding. The Dakota County CDA will coordinate all rehabilitation activities. Once rehabilitated, the properties will be used either to provide rental housing to households at or below 50% AMI based on family size, or will be sold to income eligible buyers (at or below 50% AMI based on family size). For properties that may be sold as owner occupied, a non-profit may act as owner/developer. Project soft costs are included in budget.

Location Description:

NSP identified target areas.

Activity Progress Narrative:

No activity during this reporting period.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|-----------------|--------------------|-----|-------|------------------------------------|-----|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Properties | 0 | 0 | 0 | 0/0 | 0/0 | 0/5 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

| | |
|---------------------------------|--------------|
| Grantee Activity Number: | NSP-4 |
| Activity Title: | NSP-4 |

Activity Category:

Acquisition - buyout of residential properties

Project Number:

BCKT

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Bucket Project

Projected End Date:

06/30/2011

Responsible Organization:

Dakota County CDA

| Overall | Jan 1 thru Mar 31, 2010 | To Date |
|--|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$991,250.00 |
| Total CDBG Program Funds Budgeted | N/A | \$991,250.00 |
| Program Funds Drawdown | \$3,572.75 | \$926,169.92 |
| Obligated CDBG DR Funds | \$3,572.75 | \$926,169.92 |
| Expended CDBG DR Funds | \$3,572.75 | \$925,889.32 |
| Dakota County CDA | \$3,572.75 | \$925,889.32 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Acquisition of vacant, foreclosed properties for the purpose of establishing a land bank.

Location Description:

NSP identified target areas.

Activity Progress Narrative:

Costs incurred this reporting period include snow removal (vacant lot sidewalks) and utility payments for previously acquired properties not yet demolished.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|------------------------|---------------------------|------------|--------------|---|------------|--------------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Properties | 0 | 0 | 0 | 0/0 | 0/0 | 14/10 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: NSP-5

Activity Title: NSP-5

Activity Category:

Clearance and Demolition

Project Number:

BCKT

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Bucket Project

Projected End Date:

06/30/2011

Responsible Organization:

Dakota County CDA

Overall

Jan 1 thru Mar 31, 2010

To Date

| | | |
|---|-------------|--------------|
| Total Projected Budget from All Sources | N/A | \$198,750.00 |
| Total CDBG Program Funds Budgeted | N/A | \$198,750.00 |
| Program Funds Drawdown | \$23,307.40 | \$184,853.70 |
| Obligated CDBG DR Funds | \$23,307.40 | \$184,853.70 |
| Expended CDBG DR Funds | \$23,307.40 | \$184,853.70 |
| Dakota County CDA | \$23,307.40 | \$184,853.70 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Demolish vacant, foreclosed properties acquired by the CDA as well as other properties deemed appropriate as a way to stabilize a neighborhood. The cleared land will become land bank inventory.

Location Description:

NSP identified target areas.

Activity Progress Narrative:

One property was demolished during this reporting period. Other costs incurred for hazardous material testing of a South St Paul property.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|-----------------|--------------------|-----|-------|------------------------------------|-----|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Properties | 0 | 0 | 1 | 0/0 | 0/0 | 14/12 |

Activity Locations

| Address | City | State | Zip |
|---------------|------------|-------|-------|
| 4940 204th St | Farmington | NA | 55024 |

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

| | |
|---------------------------------|--------------|
| Grantee Activity Number: | NSP-6 |
| Activity Title: | NSP-6 |

Activity Category:

Administration

Project Number:

BCKT

Projected Start Date:

10/01/2008

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Bucket Project

Projected End Date:

12/31/2011

Responsible Organization:

Dakota County CDA

Overall
Jan 1 thru Mar 31, 2010
To Date

| | | |
|--|-------------|--------------|
| Total Projected Budget from All Sources | N/A | \$270,991.00 |
| Total CDBG Program Funds Budgeted | N/A | \$270,991.00 |
| Program Funds Drawdown | \$15,001.69 | \$134,971.35 |
| Obligated CDBG DR Funds | \$15,001.69 | \$134,971.35 |
| Expended CDBG DR Funds | \$20,872.71 | \$144,441.03 |
| Dakota County CDA | \$20,872.71 | \$144,441.03 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

General program administration of Dakota County's allocation of NSP funding.

Location Description:

Dakota County, Minnesota

Activity Progress Narrative:

Admin expenses January 2010 through March 2010 total \$20,872.71. Funds for March admin drawn after end of reporting period.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources
Amount

No Other Funding Sources Found

Total Other Funding Sources
